

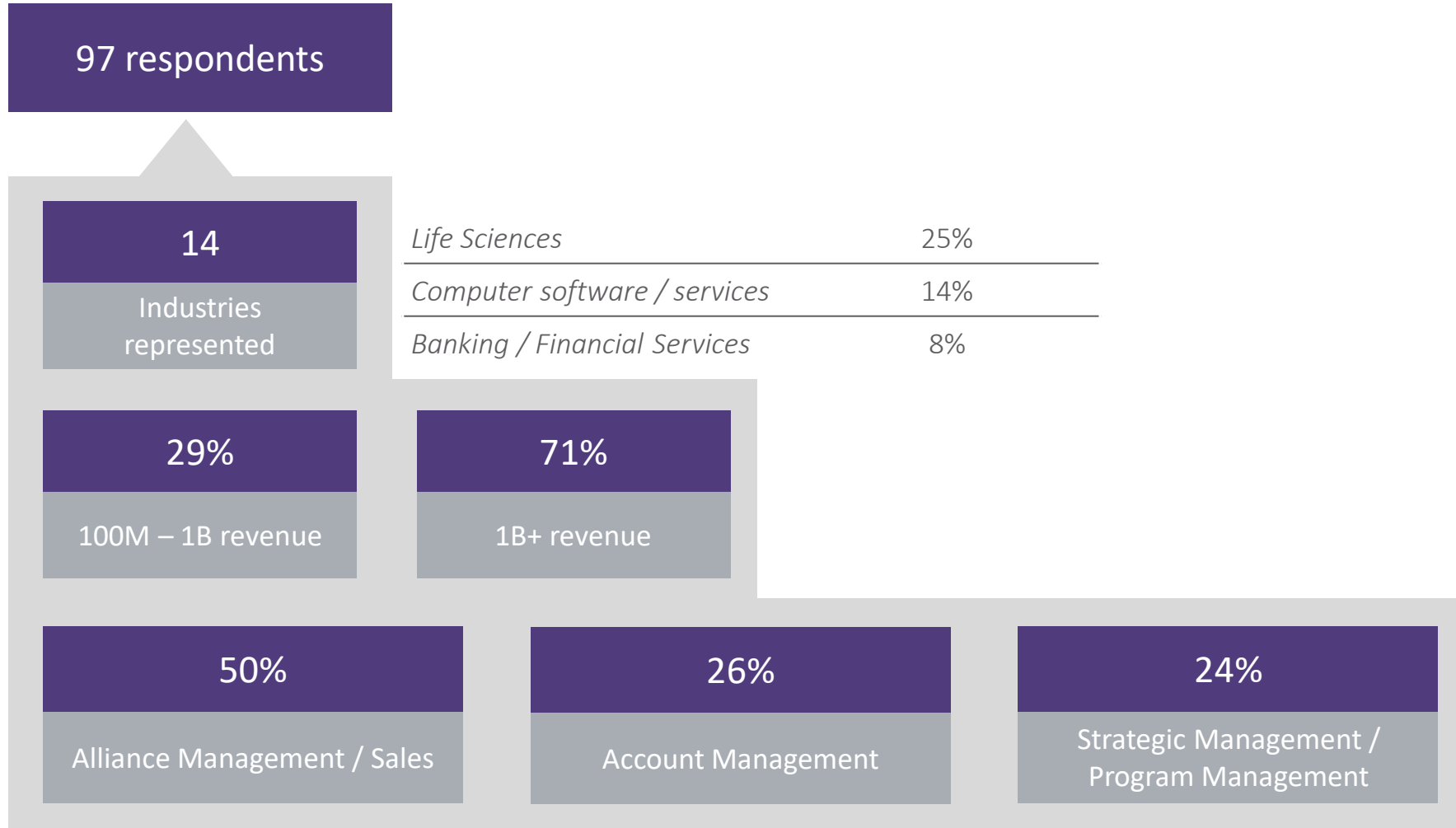


2021 State of Alliance Management

ASAP Webinar

October 28, 2021

Study demographics overview

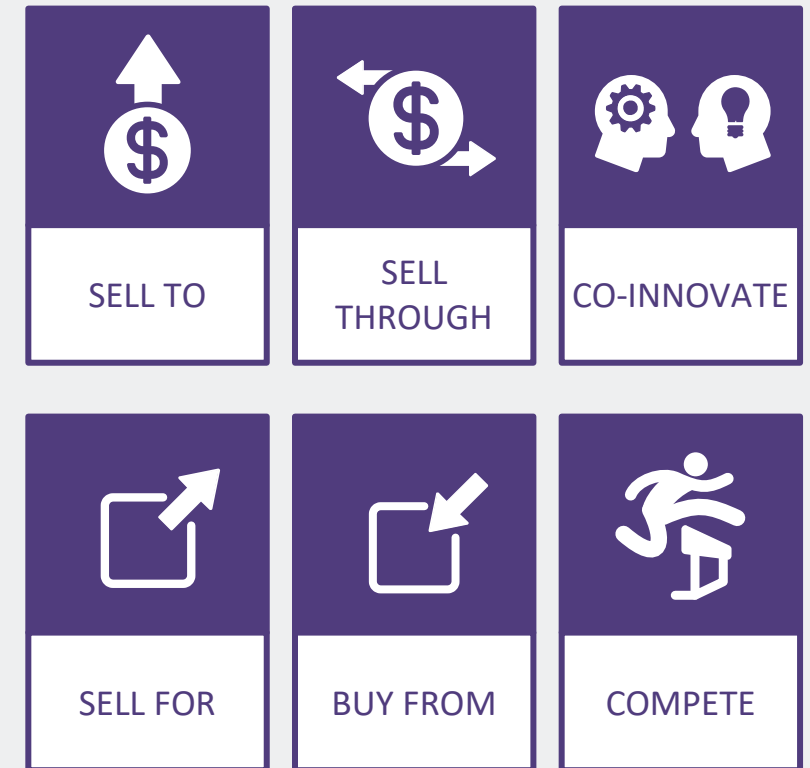


Why and how companies engage with partners

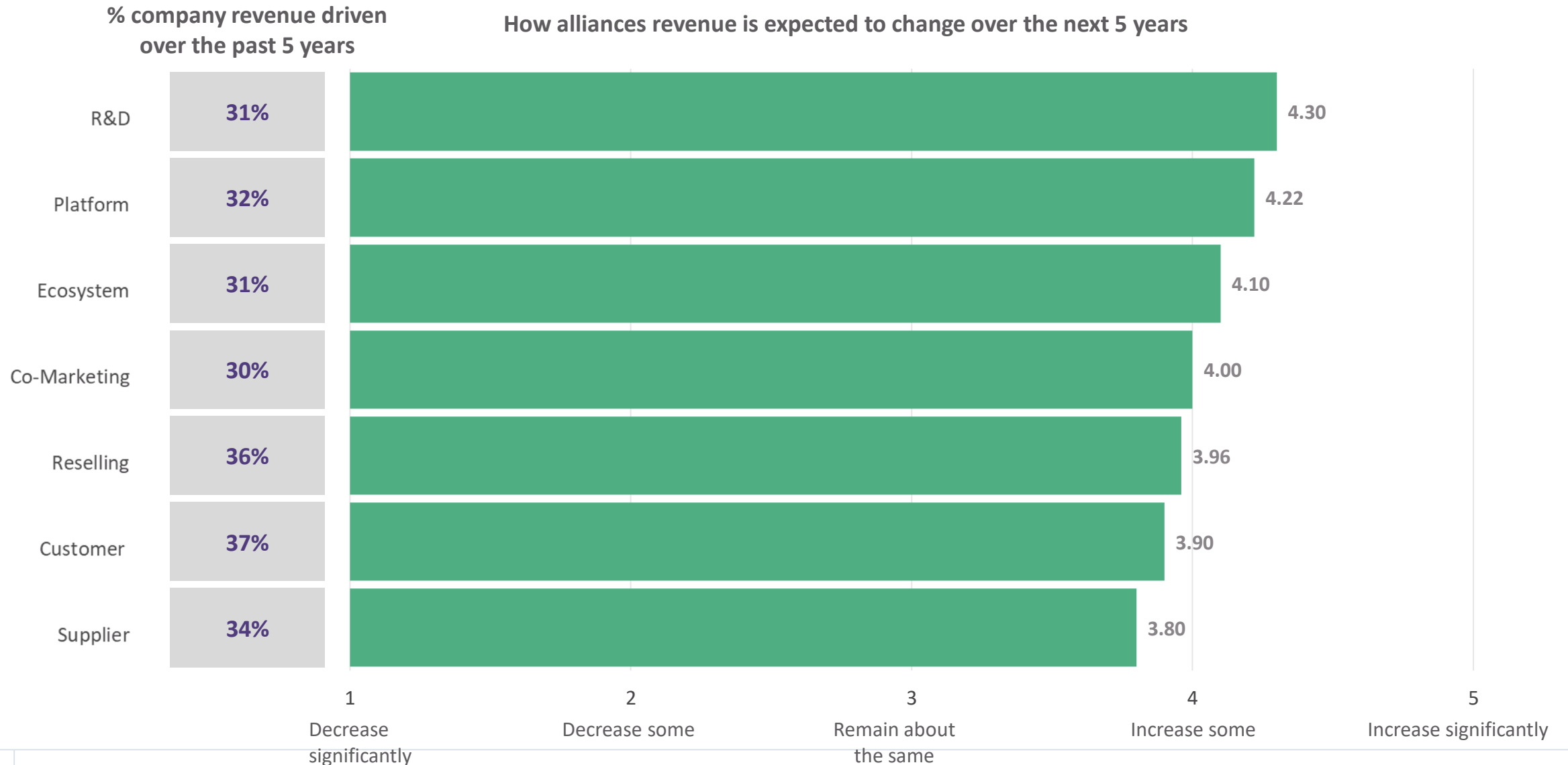
WHY

- Capitalize on relationships other firms have with customers that we lack and cannot build
- Leverage the expertise, assets, and capabilities of other firms
- Maximize the monetization of our assets and extend our reach into new markets
- Increase penetration of existing markets, beyond what we could achieve on our own
- Enable customers and consumers to buy and consume the solutions they want, in the way they want to (versus seeking to artificially constrain their choices)
- Embed unique assets more pervasively in the marketplace, in a way that builds a competitive moat against disruptive competitors

HOW



Alliances are expected to drive significant growth over the next five years



Partnership types

Supplier partnership	Partner provides product or services that <i>are consumed by ACME</i>
Customer partnership	Partner <i>consumes</i> product or services from ACME
Platform partnership	Partner owns and administers a technology used to distribute one or more of our company's solutions through to end customers (often in exchange for a fee; may be a marketplace)
R&D partnership	Partner collaborates with our company to advance learning and innovation – may involve co-creation or development of solutions (could be sold by either company)
Value-added reseller	Partner distributes one or more ACME solution to their clients, either as-is or combined with other solutions (can sometimes include joint sales)
Co-marketing partnership	The partners leverage each other's relationships, brand, budget, and reach to promote proprietary or co-developed content or solutions
Ecosystem partnership	? When multiple partners and types are needed to meet the customer's needs when the end user sees value in the entire offering that can only be delivered by the ecosystem Multiple partners coming together to transform a place and/or improve peoples' lives. I see ecosystems transcending the more traditional "binary" relationships between partners. Any firms that help us grow our business Partners of our partners



Alliance management maturity



POLL

How would you rate your company's maturity for forming and managing alliances?

Over the past five years, how much of your company's revenue has depended, in some way, on alliances?

Over the next five years, how do you expect that number to change?



Please vote by:

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Companies that build capabilities in managing alliances realize significant returns

Higher levels of partnership management maturity are correlated with greater alliance success

47% more alliance value is realized when execution challenges are well-managed.

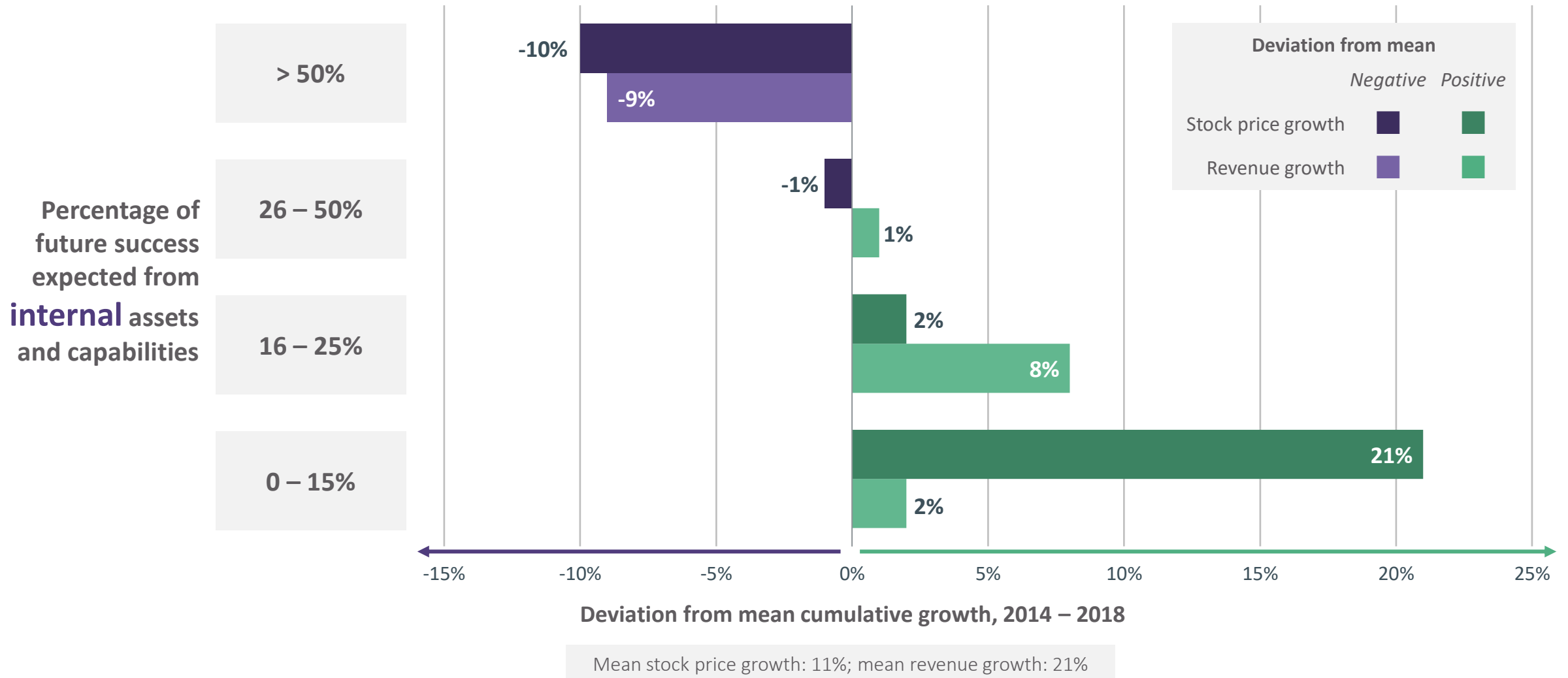
Companies with high levels of alliance management maturity are **80% more likely** to fully achieve the objectives of any individual alliance.

Poor execution leads to lost value

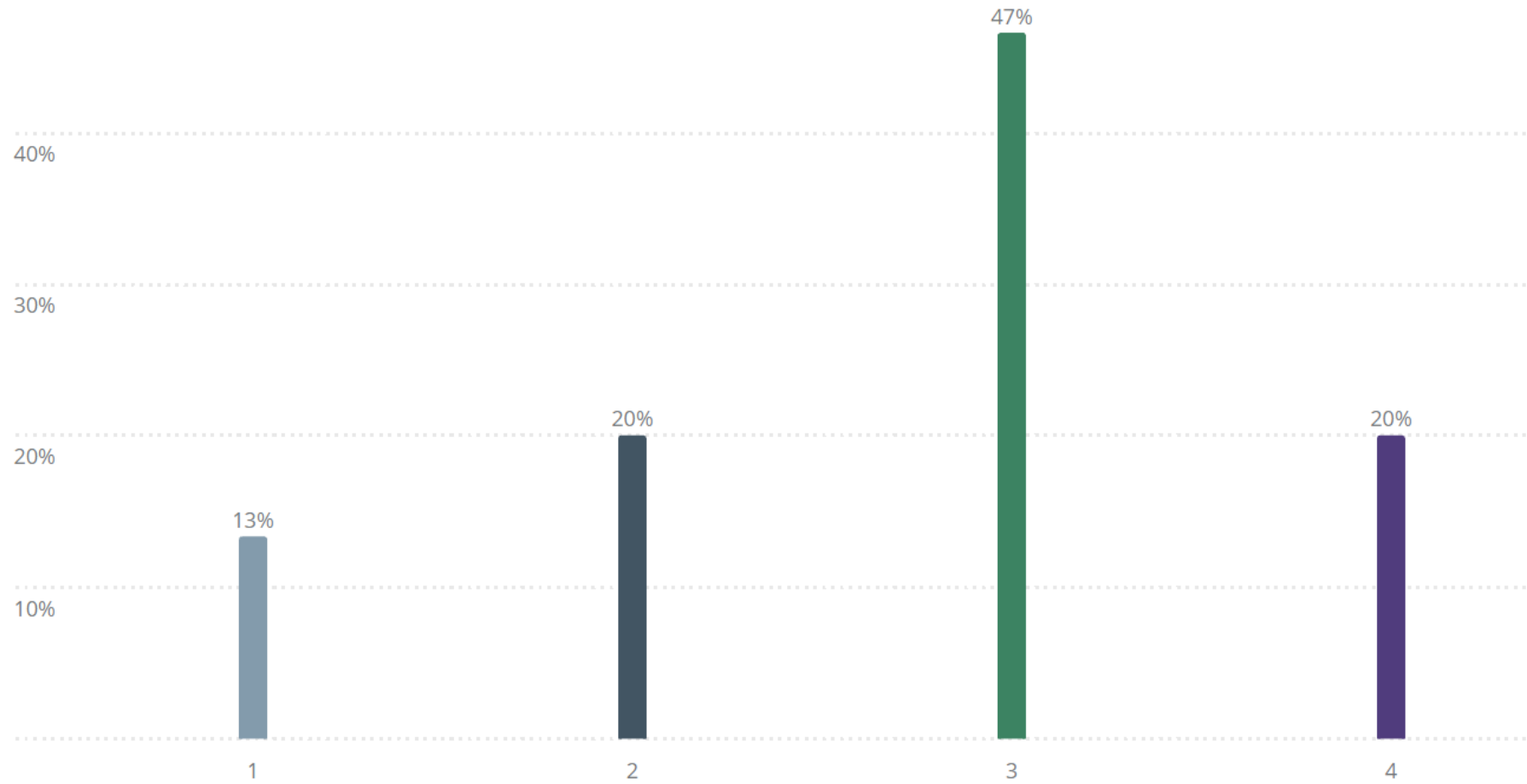
27% of alliance failure is due to execution challenges alone.

50% higher risk of failure for alliances at companies with low alliance management maturity.

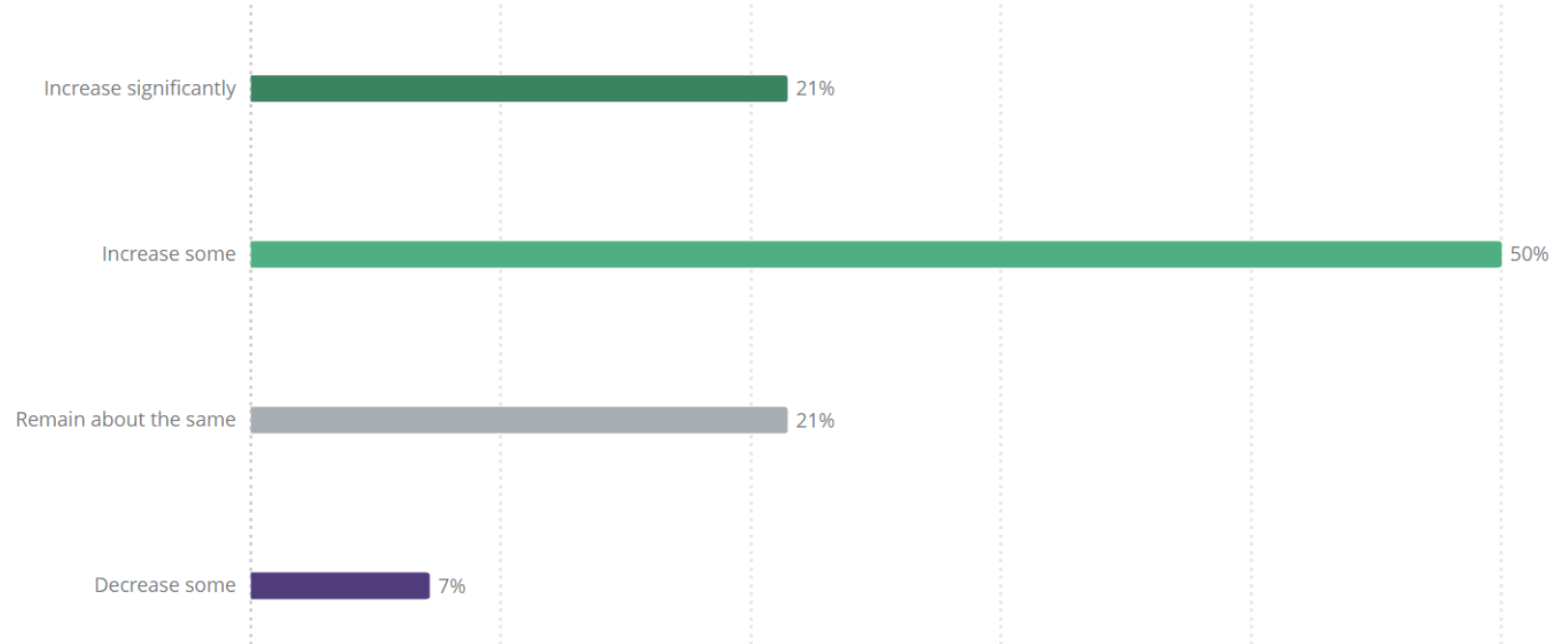
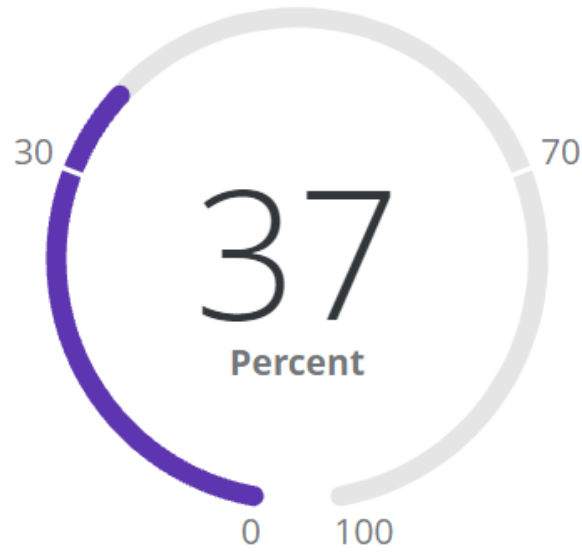
Companies that expect to rely heavily on internal assets and capabilities experience lower growth



Webinar poll results: Partnership maturity



Webinar poll results: Past and future alliances revenue



Alliances have been and are important today – and are expected to be even more so over the next five years

72%

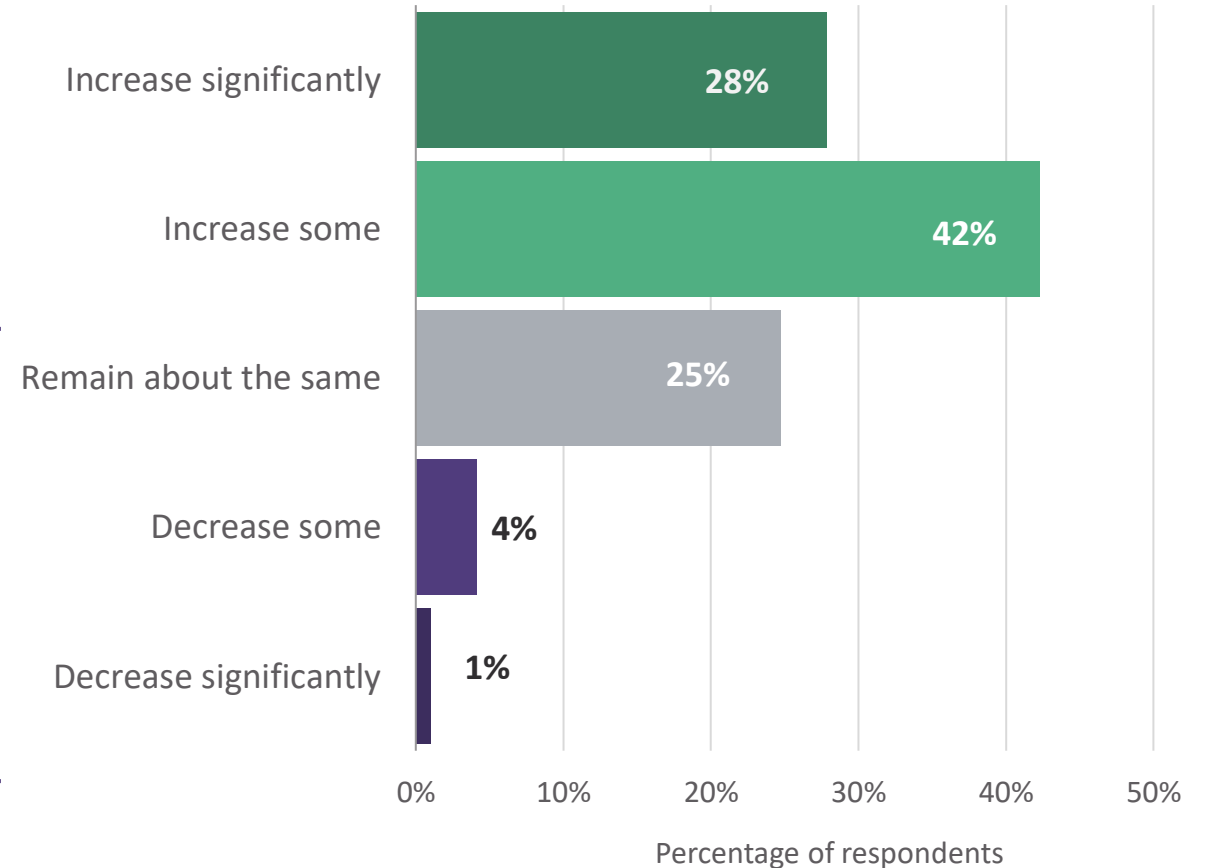
Report that alliances are “very important” or “mission critical” today

33%

Of company revenue has depended on alliances revenue over the past 5 years

Reported 50% *greater* contribution from alliances revenue over the past five years than those who expect alliances revenue to increase over the next five years

“Over the next five years, do you expect your alliances revenue to...”



POLL

Over the past five years, what percentage of your company's alliances consisted of three or more organizations?

Over the next five years, how do you expect that number to change?



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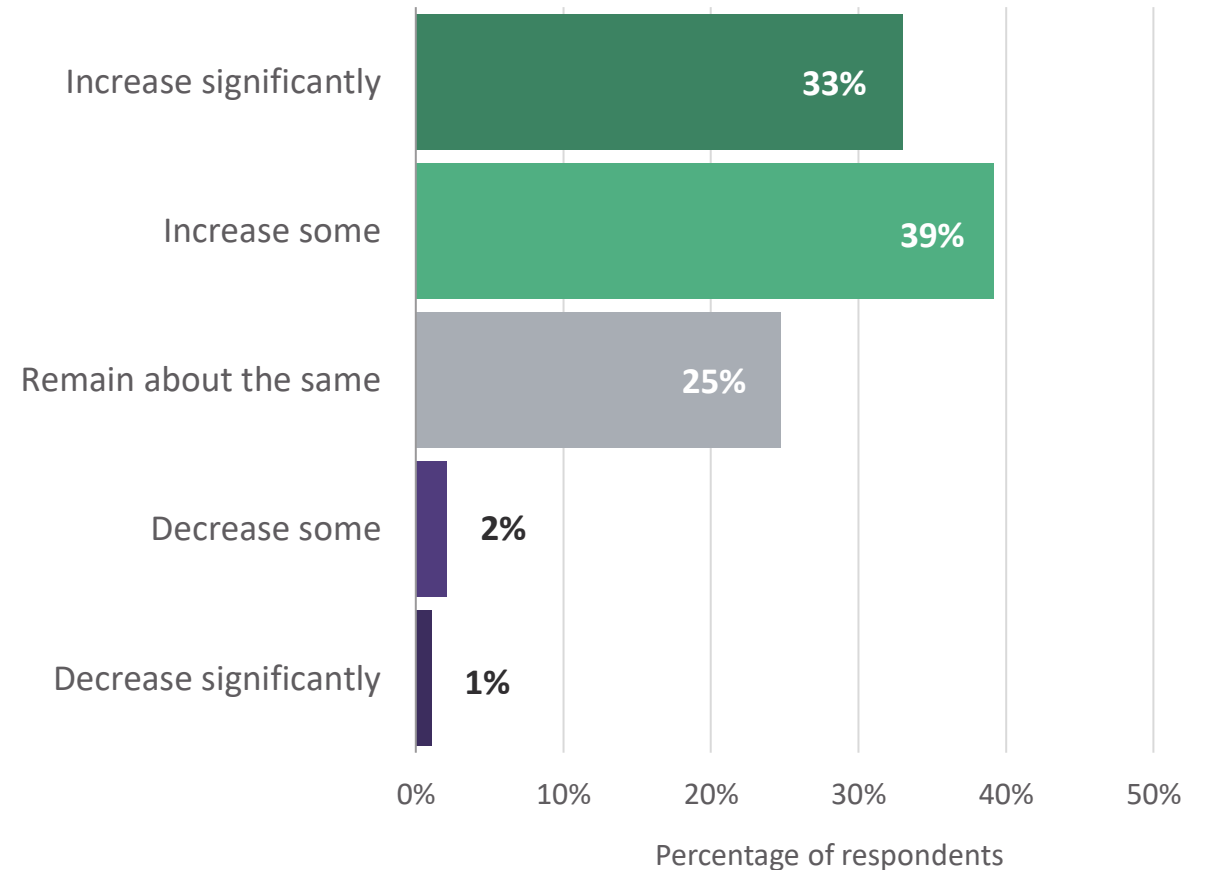
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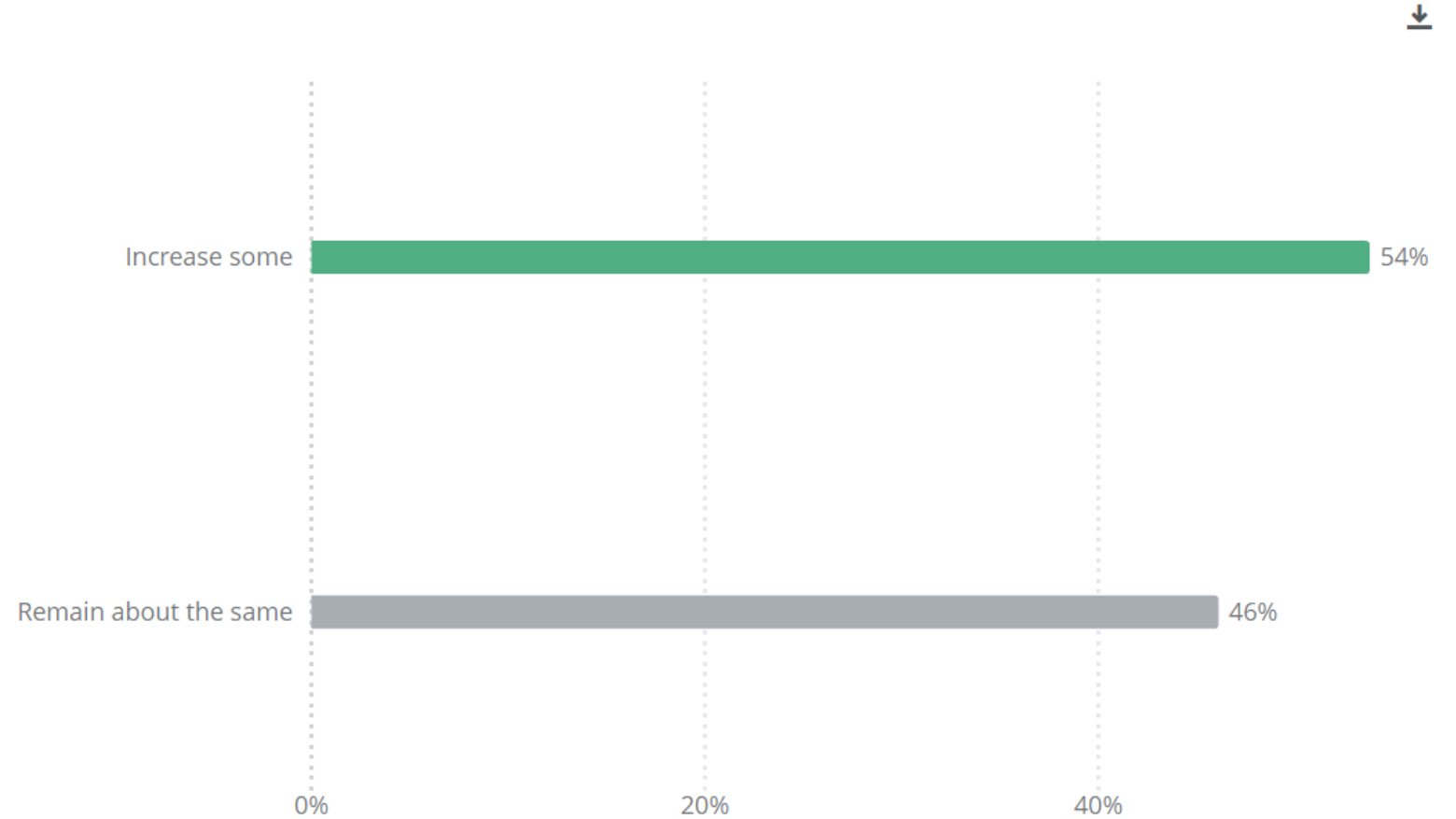
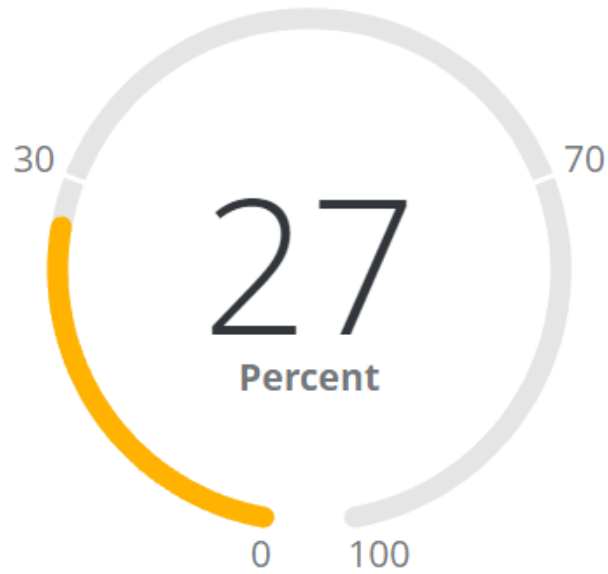
Multilateral alliances are becoming increasingly important

“Over the next five years, do you expect the number of multilateral alliances at your company to...”

- Over the past 5 years, on average **34% of company alliances** consist of three or more organizations:
 - 43% and 36% of Aerospace and Telecom companies respectively have multilateral alliances
 - 25% of Pharmaceutical companies have multilateral alliances
- Over the next 5 years, **72% of companies are expected to increase their number of multilateral alliances**



Webinar poll results: Multilateral alliances



POLL

Over the past five years, what percentage of your company's alliances have achieved their objectives? (fully, partially, or generally failed)



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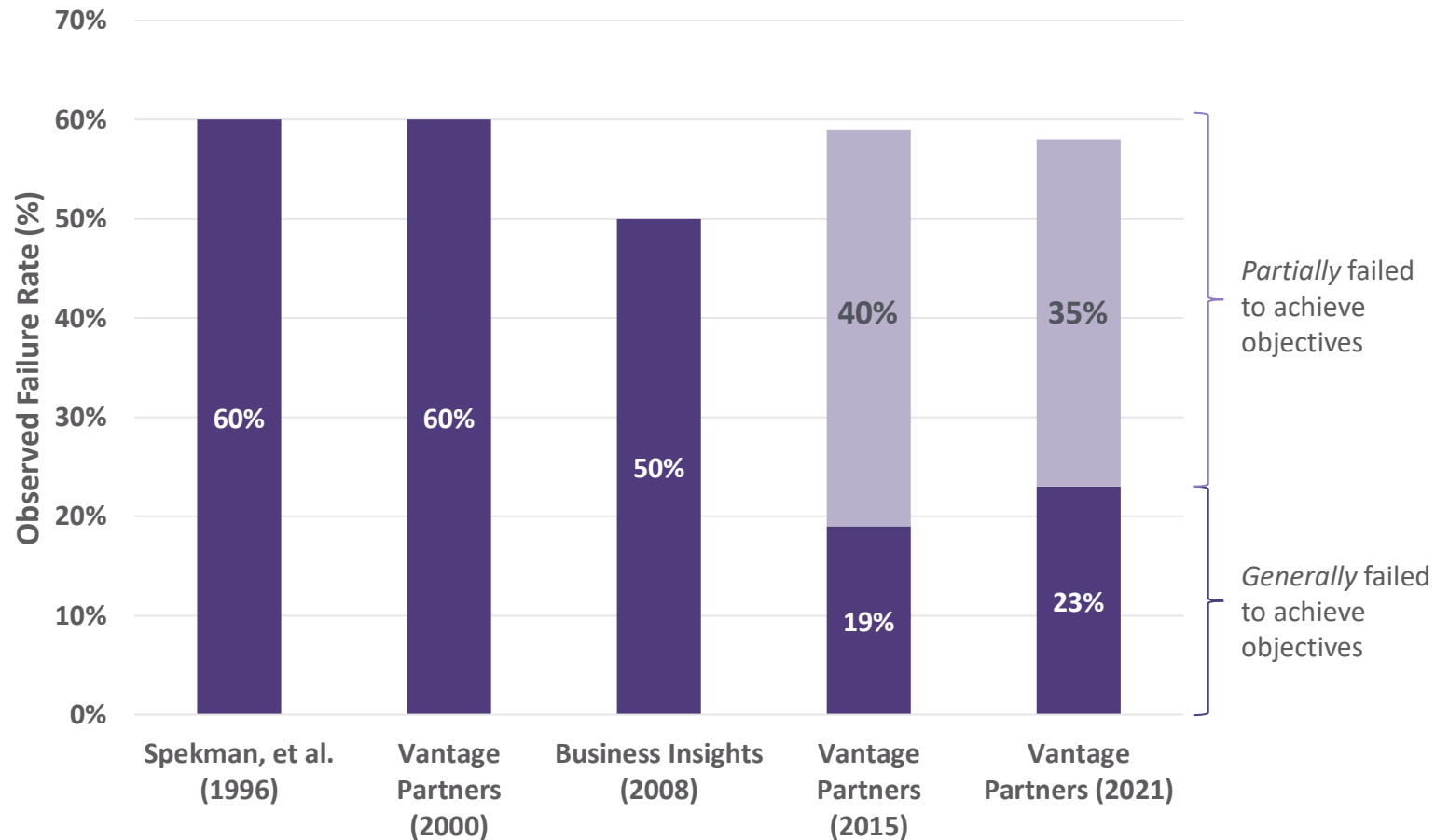
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More than half of partnerships fail to fully achieve their objectives

Partnership failure rates over time

Excluding those that end for technical reasons (e.g., the science or technology did not work)



Past alliance failure may not deter future investment

25% alliances failure rate for companies where alliances revenue is *likely to increase* over the next 5 years

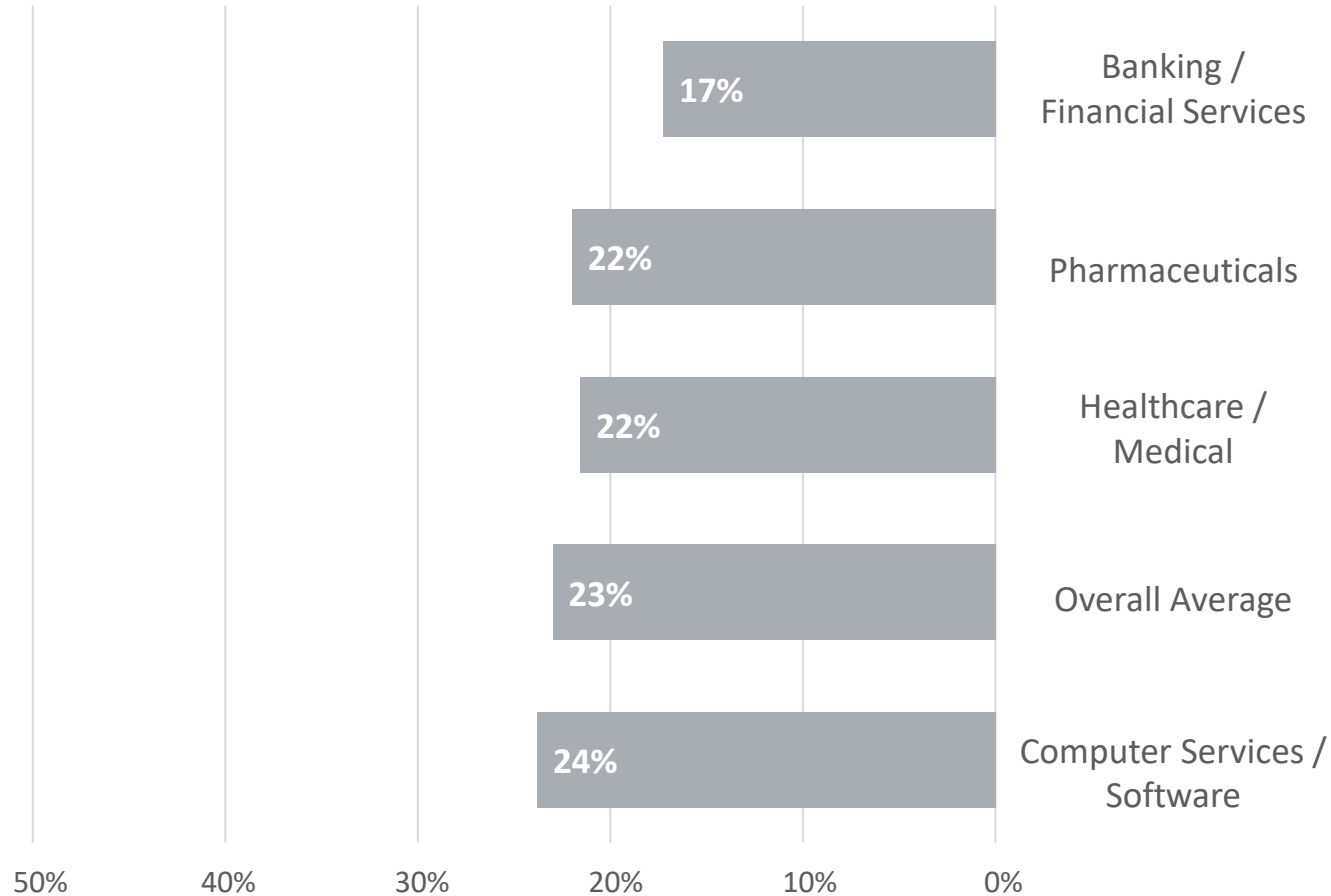
20% alliances failure rate for companies where alliances revenue is *likely to be flat* over the next 5 years

16% alliances failure rate for companies where alliances revenue is *likely to decrease* over the next 5 years

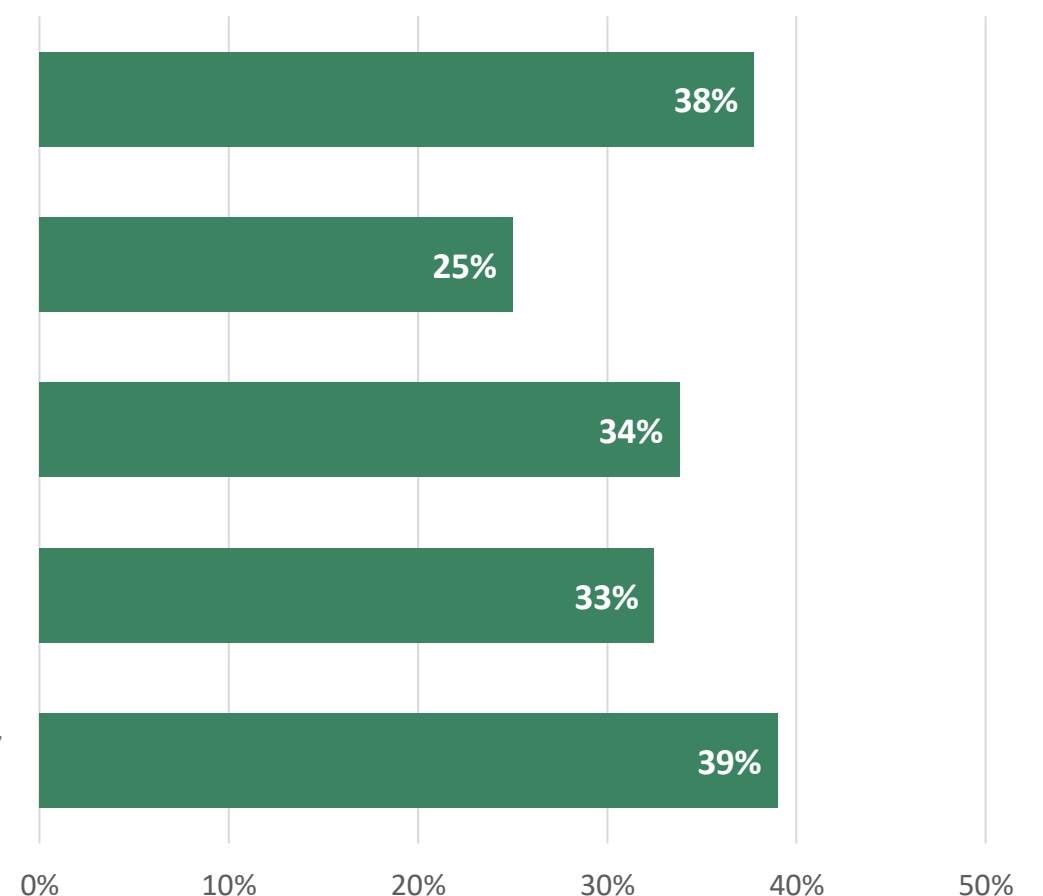


Alliance failure and alliances revenue do not seem tightly correlated

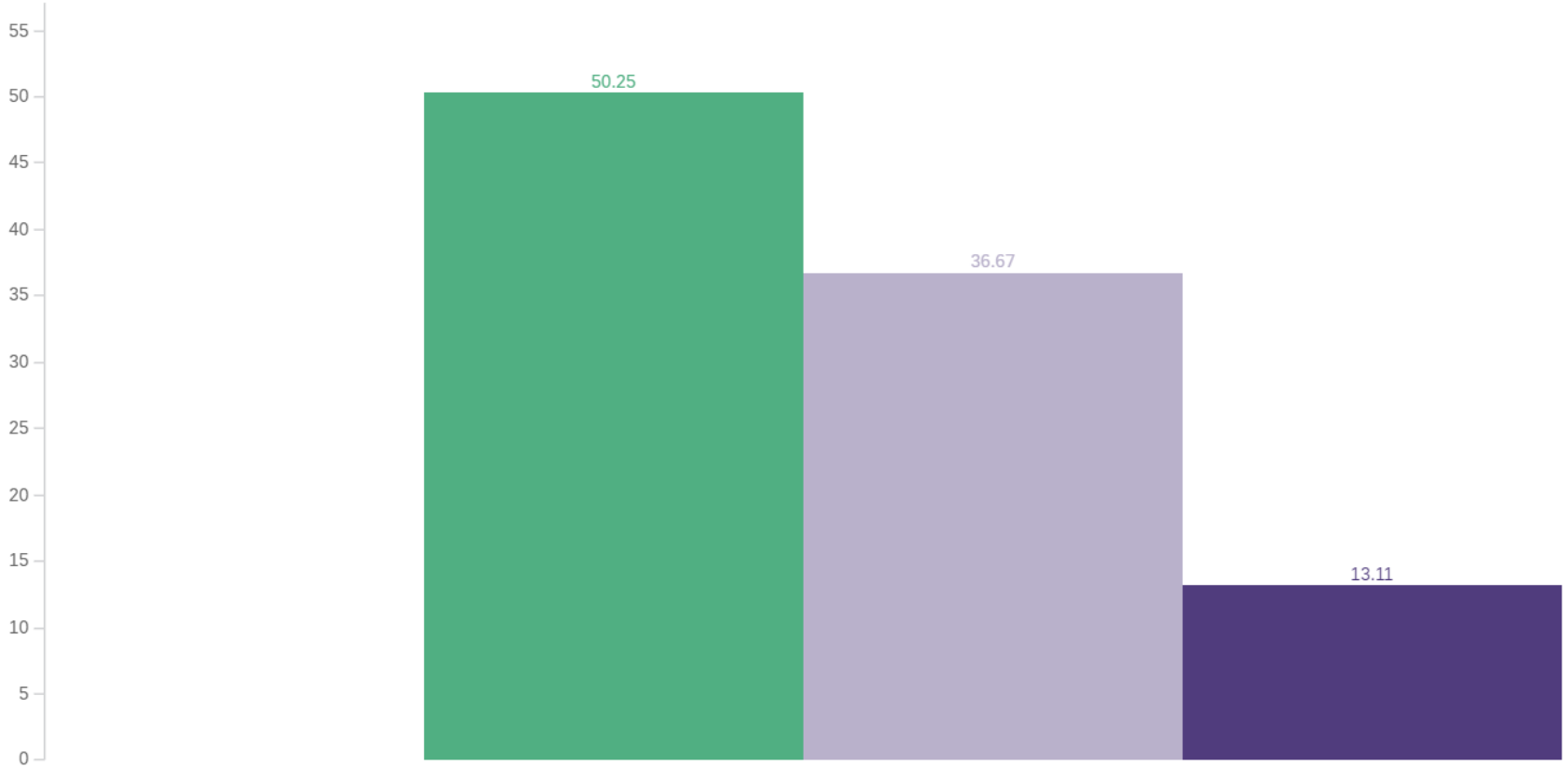
Percentage of alliances which have fully failed to achieve objectives over the past 5 years



Percentage of company's past revenue which has depended on alliances over the past 5 years



Webinar poll results: Alliance success / failure in achieving objectives



POLL

To what extent has each factor listed contributed significantly, moderately, or minimally to alliance failures at your company over the past five years?



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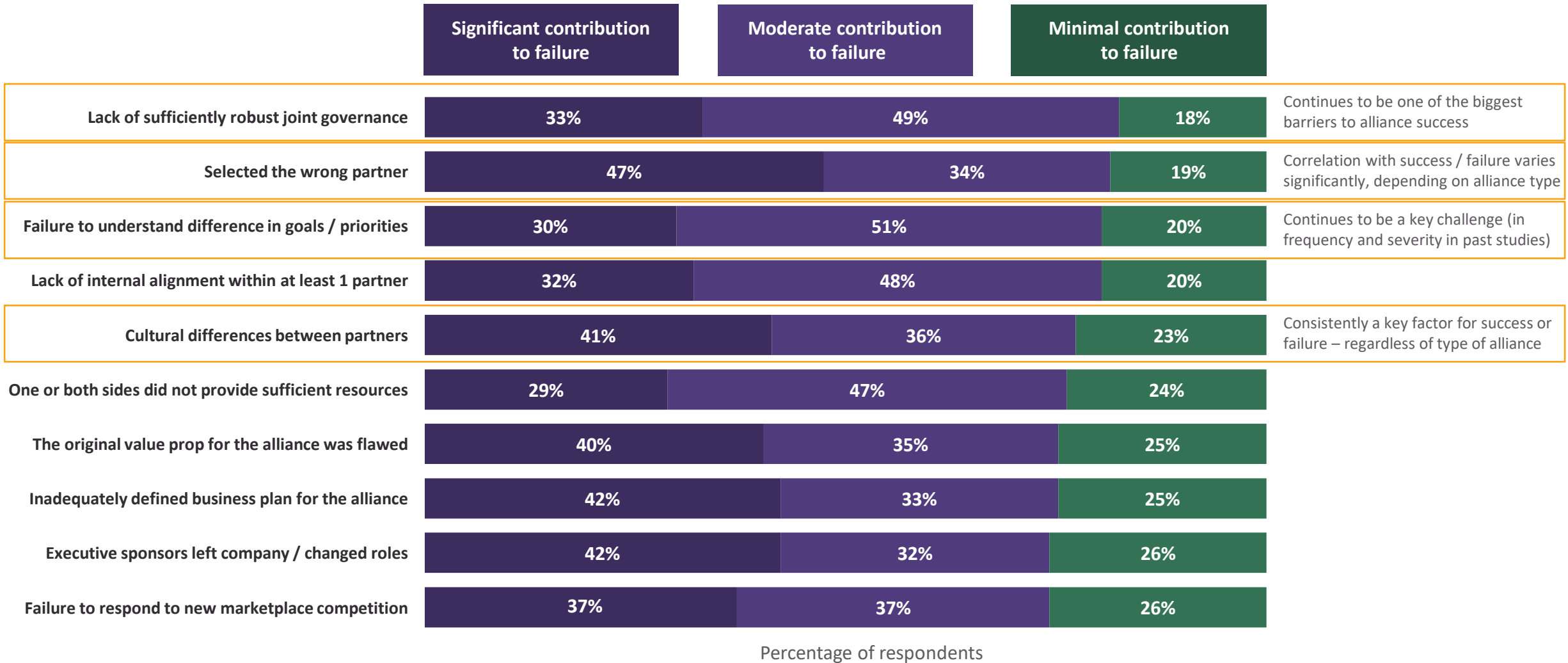
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Contributions to partial or complete alliance failures

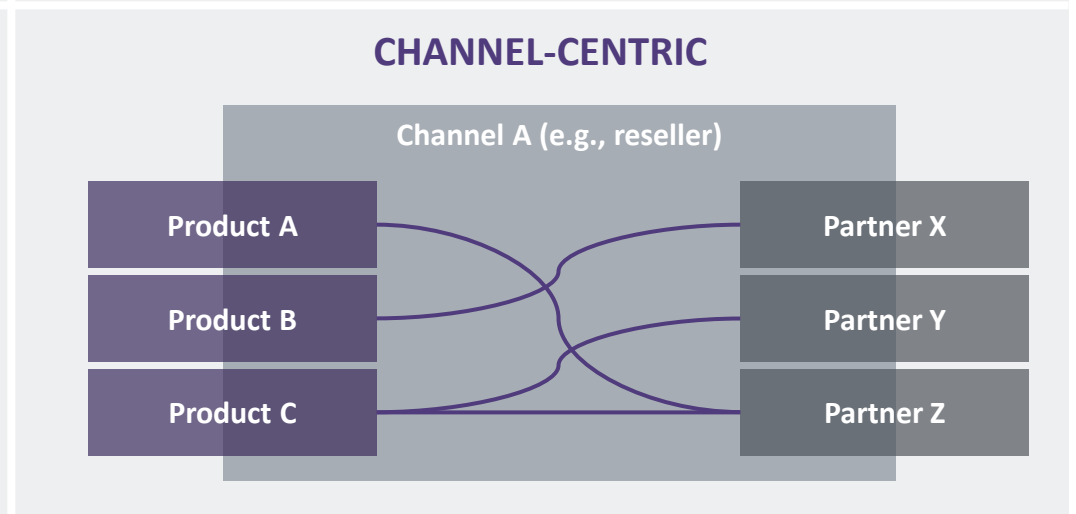
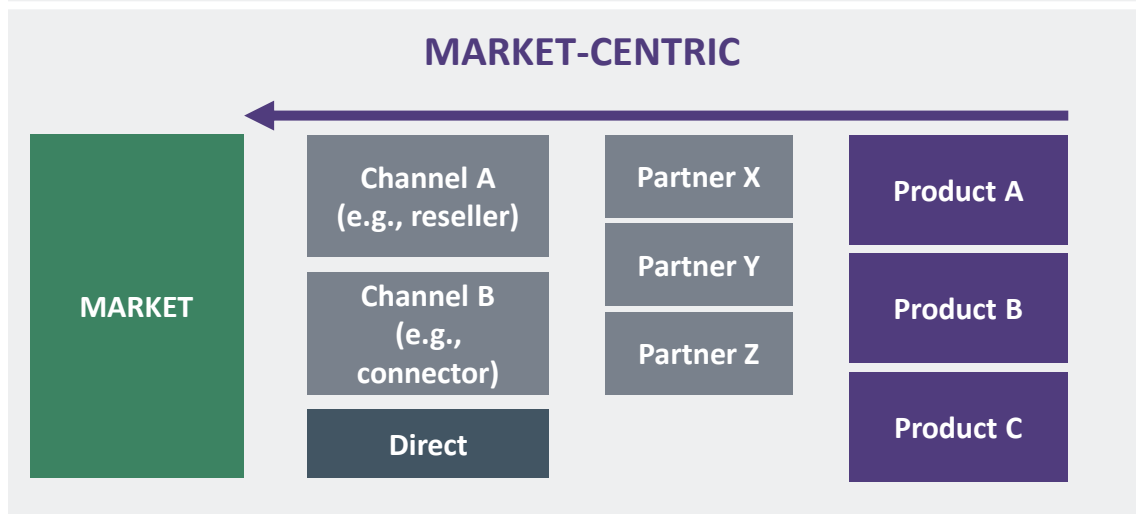
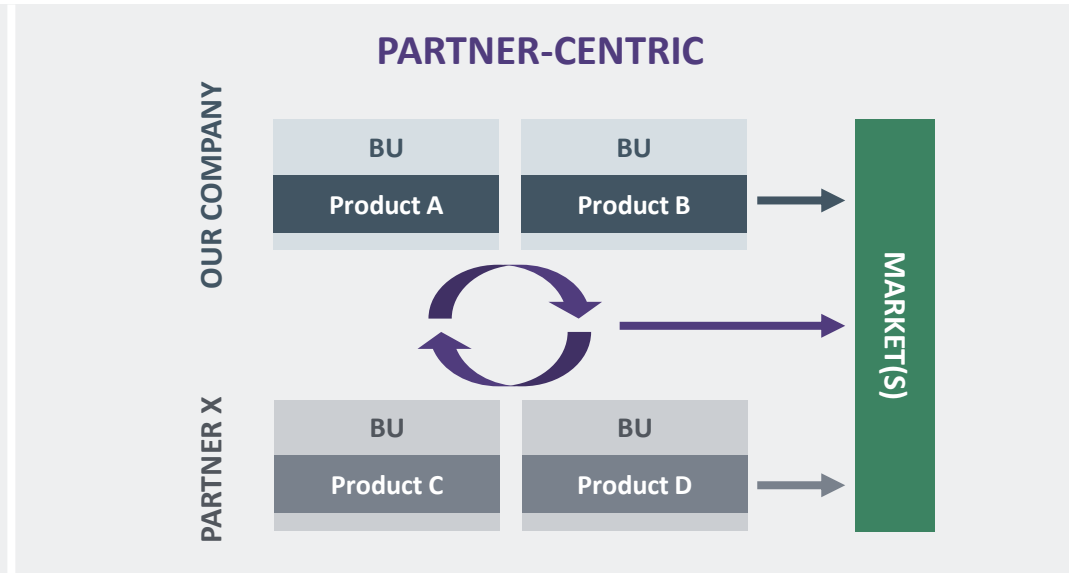
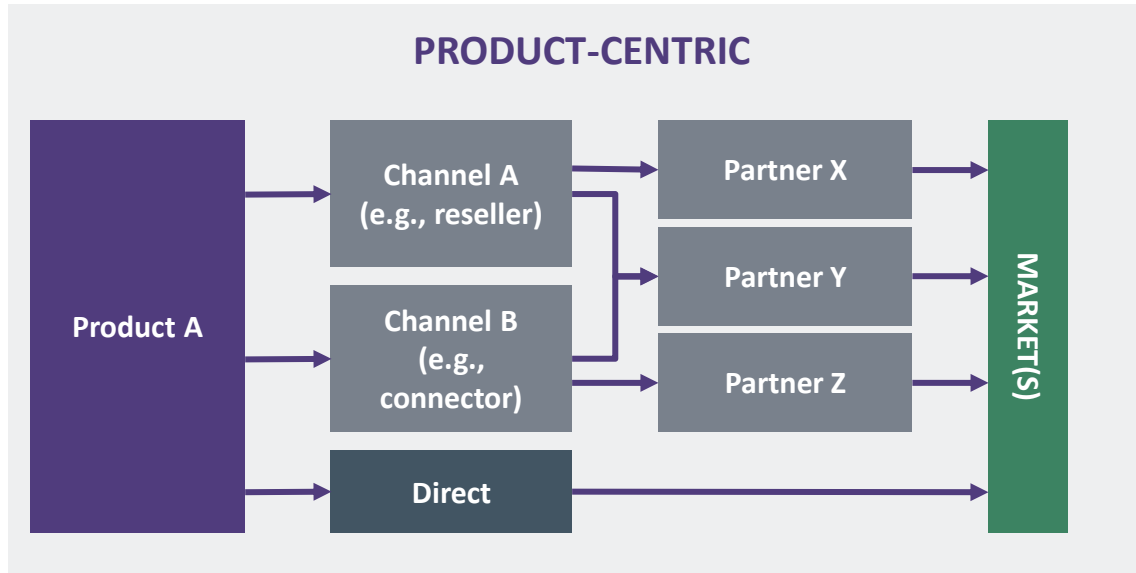
21-32% of potential partnership value is lost annually through ineffective execution



Managing differences effectively is the key to alliance success



Partnership governance needs to bring together several views



Webinar poll results: Contributions to alliance failures



POLL

Over the next five years, how much do you expect the following types of alliances to contribute to your company's revenue growth?



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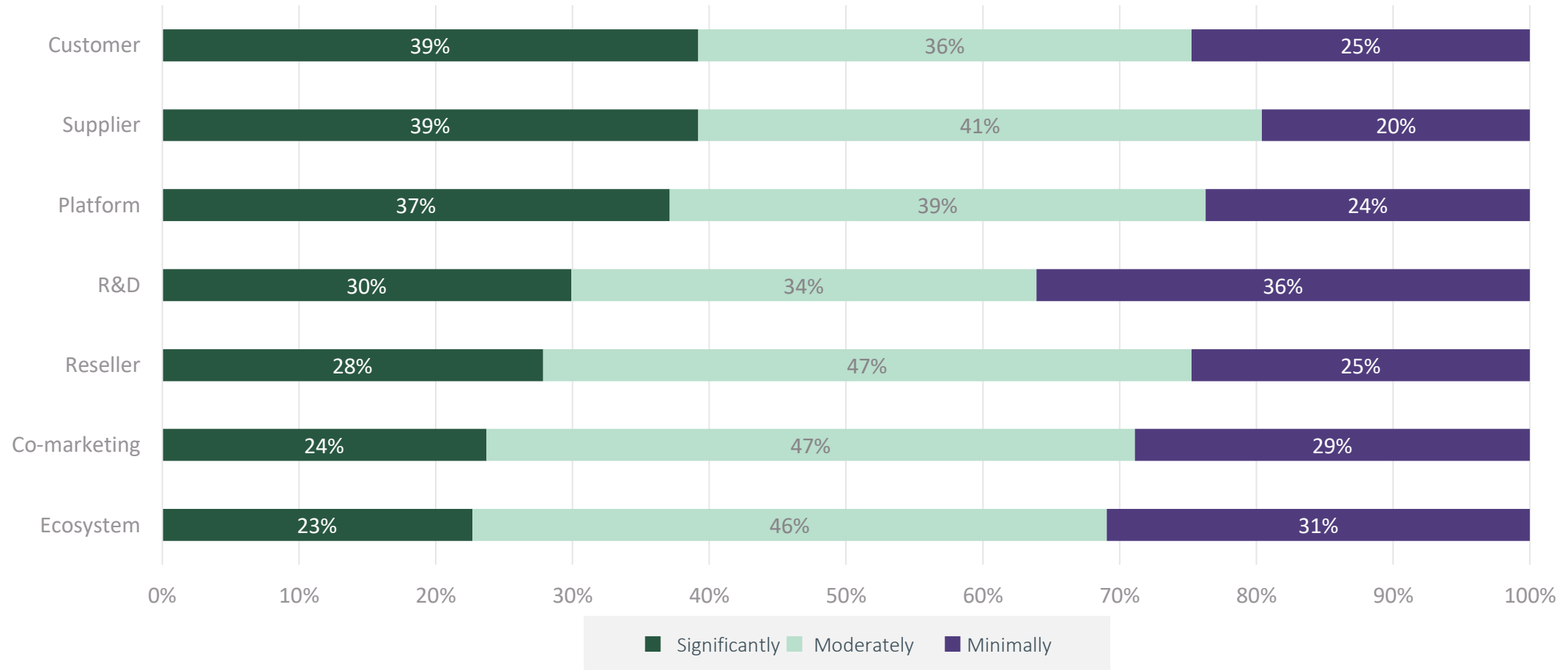
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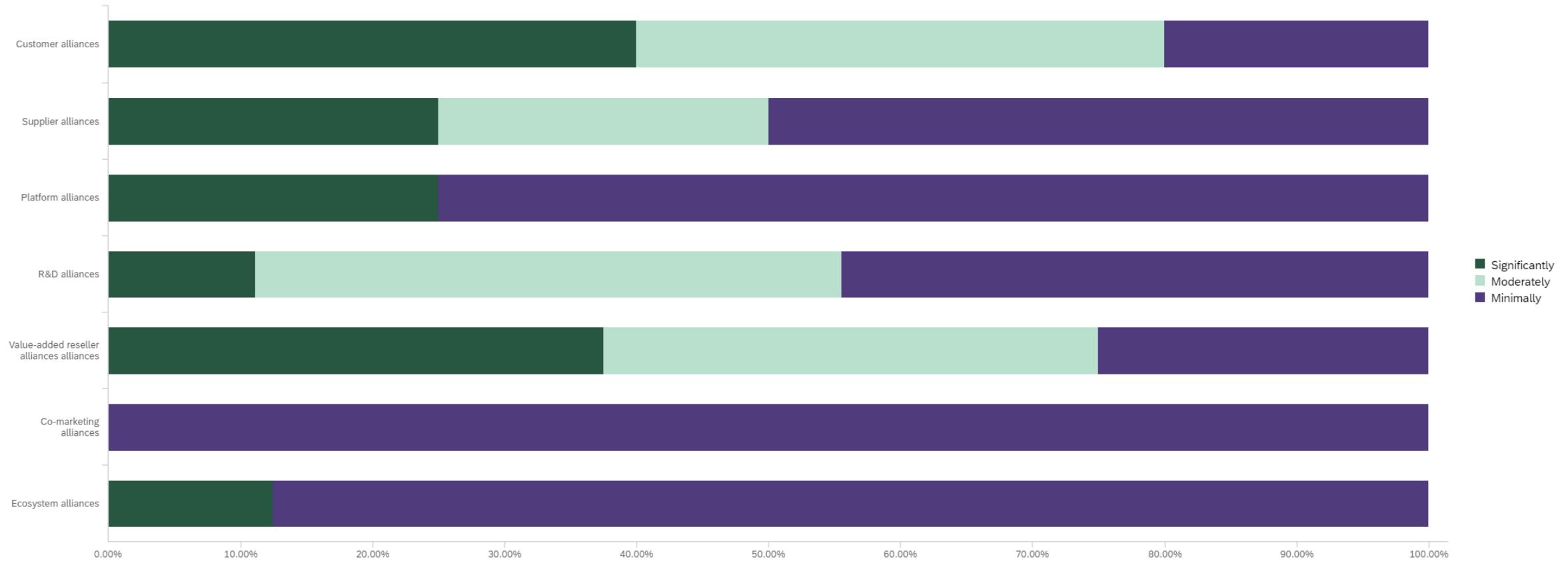


Expected contribution of different alliance types to future growth

“Over the next five years, please indicate how much you expect the following types of alliances to contribute to your company’s revenue growth...”



Webinar poll results: expected future revenue growth by alliance type



Q&A

About Vantage Partners

Vantage Partners helps accelerate the pace of innovation, sharpen execution, and drive revenue growth at companies worldwide

Achieve alignment where it matters most: between strategies and marketplace opportunities; across the extended value chain; and between goals, priorities, and incentives across different internal groups

Enhance companies' ability to leverage external capabilities and assets, balance collaboration and competition, and respond to disruptive threats and opportunities

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Strategies

partnerships and
Cross-Industry
Partnerships

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Performance

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